# Does IPO Mean “Uh-oh!” for Competitors?

*Amy Dardinger, Manager, Media Relations, SSPR*

In 2018, 190 companies issued initial public offerings in the US. So far this year, many of the companies filing have been big names, and both Zoom and Pinterest had excellent debuts. For the most part, the major launches have been successful, generating headlines and positive movement on the stock market.

A successful public debut creates a halo effect – it will drive positive media coverage and boost stock prices for both Zoom and Pinterest. For other companies in the space, it makes these brands recognizable and formidable opponents in the marketplace.

While a rising tide can lift all boats, it is difficult to compete with financial coverage. As a PR professional representing both public companies and privately-held competitors, here’s what I suggest keeping in mind:

1. **Public companies are of more general interest in business media.** Because the public can buy stock, it naturally drives interest from a larger audience. There are also media outlets solely dedicated to the stock market, meaning private competitors can’t be featured alongside public companies in these publications. For private companies, it can be hard to understand why a solution (that’s similarly effective to its competitor’s), isn’t interesting to CNBC, the WSJ or MarketWatch. The truth is the audience for a private company is smaller by definition. It’s better to focus on impactful trade or consumer coverage that appeals directly to buyers, rather than seek business coverage

in media that focuses on public companies.

2. **Recalibrate your expectations.** For example, competitors to Zoom will likely see major changes in share of voice this quarter, as the name “Zoom” will dominate the media landscape. While the IPO provides an extra-large media bump, its “new normal” amount of coverage will be higher. The PR team should set a new level of expectation for the percentage of coverage, explaining the impact of financial news and how public companies get more national business coverage in today’s media landscape.
3. **Another option is to separate the financial coverage.** Most major media tracking and reporting tools allow you to exclude financial mentions and focus on the quality of editorial coverage. As a private company, your audience is smaller. Treat that as a good thing! Determine your company’s key messages and track the success in getting those concepts into coverage. That’s more important to demand generation than keeping up with the Jones’ stock mentions.
4. **Don’t shy away from the fight.** Now is not the time to be risk-averse. The leaders of private companies competing in these areas (and their PR teams) should be carefully analyzing announcements and taking advantage of their differentiators, philosophical disagreements and debates in the space. Now’s the time to push thought leadership, even piggybacking on the discussion generated by an IPO in the space.

Ultimately, the success of a competitor in their public debut is a sign that your market is viable. It also may open the door for a public debut for your company or draw in a strategic acquirer. From a media perspective, it’s worth taking a minute to reassess your goals, hone your core messages and find opportunities to enter the public discussion of your industry.

Finally, a hearty congratulations is owed to the communications teams at Zoom and Pinterest for their excellent execution of their respective company's debuts. It's no easy feat, but the journey has really just begun for Zoom and Pinterest, and for their direct competitors.

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***About the Author:*** *Amy Dardinger, Manager, Media Relations at SSPR, enjoys the fast-paced nature of PR. She spends her time outside the office long-distance running and eating baked-goods.*